

**GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:27
ANSWERED ON:17.02.2006
COST AUDIT OF MNCs
Muqueem Shri Mohammed

Will the Minister of COMPANY AFFAIRS be pleased to state:

- (a) whether the Government has kept Chocolates produced by Multinational Companies out of purview of Cost Audit;
- (b) if so, the reasons therefor; and
- (c) the steps being taken to bring Chocolates and other consumer items producing companies under purview of Cost Audit?

Answer

MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) & (b) Cost Audit is applied to companies in exercise of powers under section 233B of the Companies Act, 1956. No discrimination is made between domestic and multinational companies producing, processing or manufacturing various items for the purpose of issue of cost audit orders.

(c) The Central Government examines the application of provisions relating to Cost Audit under the Companies Act, 1956 to companies producing different kinds of items depending upon need and issues appropriate orders from time to time.